



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held at the Conference Room of Honsin Apparel Sdn. Bhd., 531, 2½ Miles, Jalan Kluang, 83000 Batu Pahat, Johor on Friday, 21 December 2012 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 July 2012 together with the Reports of the Directors and Auditors thereon.
2. To approve the increase and payment of Directors' fees for the financial year ended 31 July 2012.
3. To re-elect the following Directors who retire by rotation in accordance with Article 77 of the Company's Articles of Association and who, being eligible, offer themselves for re-election :
 - i) Mr. Willie Gan Wee Lee
 - ii) Encik Khadmudin bin Mohamed Rafik
4. To re-elect Mr. Chin Chew Mun who retires in accordance with Article 84 of the Company's Articles of Association and who, being eligible, offer himself for re-election.
5. To consider and if thought fit, to pass the following special resolution in accordance with Section 129(6) of the Companies Act, 1965:-
"That Mr. Lin. Cheng-Lang, retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company."
6. To approve the payment of a first and final dividend of 3 sen per ordinary share, less income tax of 25%, for the year ended 31 July 2012.
7. To re-appoint Messrs. Grant Thornton as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Please refer to Explanatory Note 7 on Ordinary Business

Resolution 1

**Resolution 2
Resolution 3**

**Resolution 4
Please refer to Explanatory Note 8 on Ordinary Business**

Resolution 5

Resolution 6

Resolution 7

As Special Business:

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:

8. **Authority under Section 132D of the Companies Act, 1965 for the Directors to Allot and Issue Shares**
"That, subject always to provisions of the Companies Act, 1965 ("the Act"), the Articles of Association of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Act, to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued."
9. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

Resolution 8

By Order of the Board,

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Company Secretaries

Penang
Date: 28 November 2012

NOTES ON APPOINTMENT OF PROXY

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.
2. For a proxy to be valid, the proxy form duly completed, must be deposited at the registered office of the Company, 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointer is a corporation, the proxy form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

EXPLANATORY NOTES ON ORDINARY BUSINESS

7. *Agenda 1 (Audited Financial Statements)*
The Audited Financial Statements for the year ended 31 July 2012 is meant for discussion only as the provisions of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders of the Company and hence Agenda 1 is not put forward for voting.
8. Mr. Chin Chew Mun, a Malaysian aged 41, was appointed to the Board on 16 November 2012. He is a member of the New Zealand Institute of Chartered Accountants, the Malaysian Institute of Accountants and the Chartered Tax Institute of Malaysia. He holds a Bachelor of Commerce degree from the University of Auckland, New Zealand. He was attached to international accounting firms from 1995 to 2009 and is presently in public practice as a Chartered Accountant. He has no family relationship with other Directors and/or major shareholders of the Company. He has no conviction of offence for the past ten (10) years.
9. Mr. Lee Kuan Mang is retiring in accordance with Section 129 of the Companies Act, 1965 as a director of the Company at the forthcoming Annual General Meeting and he had informed the Board that he is not seeking re-election as a director of the Company. Upon his retirement, Mr. Lee Kuan Mang will cease to be the Chairman of the Audit Committee and member of the Remuneration & Nomination Committees.
The Board would like to thank Mr. Lee Kuan Mang for his support, commitment and invaluable contribution to the Group.

EXPLANATORY NOTES ON SPECIAL BUSINESS

10. *Agenda 8 (Resolution pursuant to Section 132D of the Companies Act, 1965)*
The proposed Ordinary Resolution 8, is to seek a renewal of the general mandate for the directors of the Company to allot and issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being for such purposes as the directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting will expire at the conclusion of the next Annual General Meeting.
As at the date of notice of meeting, no new shares has been issued pursuant to the general mandate granted at the last Annual General Meeting of the Company.
The general mandate for issue of shares will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for the purpose of funding future investment, working capital and/or acquisition.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a first & final dividend of 3 sen per ordinary share, less income tax of 25%, for the financial year ended 31 July 2012, if approved, will be paid on 28 January 2013 to shareholders registered in the Record of Depositors of the Company on 8 January 2013.

A depositor shall qualify for entitlement only in respect of:

- a. Shares transferred into the depositor's securities account before 4.00p.m. on 8 January 2013 in respect of ordinary transfers; and
- b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board,

LEE PENG LOON (MACS 01258)
P'NG CHIEW KEEM (MAICSA 7026443)
Company Secretaries

Penang
Date: 28 November 2012